KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

AUDITOR'S REQUIRED COMMUNICATION

The Honorable Chairperson, Members of the Board,
and Executive Director
City of Las Vegas Redevelopment Agency

We have audited the financial statements of the governmental activities and each major fund, of City of Las Vegas Redevelopment Agency, for the year ended June 30, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards,* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 12, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Redevelopment Agency are described in Note 1 to the financial statements. The Redevelopment Agency changed accounting policies related to how they organize their statements of financial position by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, in 2012. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

Financial statement disclosures are also an integral part of the financial statements. The financial disclosures presented for the year ended June 30, 2012, are not deemed particularly sensitive but usual, consistent and clear.

Difficulties Encountered in Performing the Audit

The completion of our audit was delayed because City personnel were unable to provide certain schedules, information, and a draft of the financial statements timely. While the City initially committed to providing a draft of the financial statements by October 16, 2012, we did not receive the draft until December 10, 2012. There were similar delays in providing us with requested schedules.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not note any misstatements that required communication.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 21, 2013.

Other Audit Findings or *Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. Additionally, the financial statements are accompanied by an introductory section. We read this information and did not identify any material inconsistencies with the audited financial statements.

This information is intended solely for the use of the Redevelopment Agency's board of directors and management, and is not intended to be and should not be used by anyone other than these specified parties.

Kafoury, Armstrong & Co.

Las Vegas, Nevada
January 21, 2013